

**2025**

**ACCOUNTANCY**

Full Marks – 100

Pass Marks – 33

Time – Three hours

**Instruction:**

- I. All questions are compulsory.**
- II. Marks are indicated on the right margin of each question.**
- III. For question numbers 1 –6 and 27-28, four alternatives are given, of which one is correct or the best. Choose the correct or the best alternative and rewrite them.**
- IV. For question numbers 7–12 and 29-30, the answers and calculations may be as short as possible.**
- V. For question numbers 13– 20 and 31-32, answers and solutions are to be given as required.**
- VI. For question numbers 21–24 and 33-36, answers and solutions are to be given in detail.**
- VII. Question numbers 25, 25, 37 and 38 are essay type questions. Calculations and solutions are to be shown as required.**

Q1. Which of the following is not a feature of a partnership ?

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- a) Agreement between partners.
- b) Sharing of profit and losses.
- c) Limited liabilities of partners.
- d) Mutual Agency.

Q2. Sacrificing ratio is the difference between

1

- a) New ratio and Old ratio..
- b) Old ratio and New ratio.
- c) New ratio and Gaining ratio.
- d) Old ratio and Gaining ratio.

- Q3. Nominal Share Capital is ..... 1
- that part of authorized capital which is issued by the company.
  - the amount of capital which is actually applied by the prospective shareholders.
  - the amount of capital which is actually paid by the shareholders.
  - the maximum amount of share capital which a company is authorized to issue.
- Q4. A Company invited applications for 1,00,000 shares and it received applications for 1,50,000 shares. Applications for 30,000 shares were rejected and the remaining shares were allotted on prorata basis. How many shares will be allotted to an applicant for 3,000 shares ? 1
- 2,500 Shares
  - 3,600 Shares
  - 4,500 Shares
  - 2,000 Shares
- Q5. Debentures cannot be redeemed: 1
- at par
  - at premium
  - at discount
  - All of the above.
- Q6. Shashi Ltd. issued 6,000 Debentures of ₹. 100 each at a premium of Rs.10. Debenture Account will be edited with 1
- 6,60,000
  - 6,00,000
  - 4,50,000
  - None of these
- Q7. When a liability is to be discharged by a partner, why is his capital account credited? 1
- Q 8. State only one reason for the preparation of 'Revaluation Account' on the admission of a partner. 1
- Q.9. Why should a new partner contribute towards goodwill on his admission? 1
- Q.10. At what rate, interest is payable on the amount remaining unpaid to the executor of a deceased partner? 1
- Q11. What is the locking period of private placement of shares. 1
- Q12. Why can't security premium be distributed as dividend? 1



- Q13. Enumerate any two main steps involved in valuing goodwill according to Super Profit Method. 2
- Q14. Why is goodwill also expressed as the capitalized value attached to the differential profit earning capacity of a business? 2
- Q15. Why is the retiring partner or the heirs of deceased partner entitled to a share of goodwill of the firm. 2
- Q16. Give two main rights acquired by the new partner. 2
- Q17. When does forfeiture take place before the premium is received? Show the journal entry in this case. 2
- Q18. What is the difference between Called-up Capital and Paid-up Capital under the Companies' Act 2013. 2
- Q19. What is meant by Fully Convertible Debentures and Partly Convertible Debentures? 2
- Q20. Give journal entries in the following cases if the face value of a debenture is ₹. 100.  
₹ 40,000 12% Debenture at par, redeemable at 10% premium. 2
- Q21. Anil, Thomas and John were partners in a firm having fixed capital of ₹.50,000, ₹.40,000 and ₹.25,000 respectively and profit-sharing ratio as 3:2:1. The rate of interest on capital was agreed @10% p.a. but was credited @12% p.a.  
Give the necessary adjustment entry to adjust the balance of Partners' Capital Accounts. 4

(OR)

Calculate value of goodwill from the following information: 4

1. Average Profit for the last 5 years : ₹.1,00,000.
2. Normal rate of profit 10%.
3. Amount of assets (excluding goodwill) : ₹.12,00,000.
4. Amount of outside liabilities : ₹.5,00,000

Calculate value of goodwill of the firm by Capitalization of Average Profit Method.

- Q22. X, Y and Z are partners sharing profits in the ratio of 4:2:3. Y retires on 31<sup>st</sup> March 2024. On this date his Capital after making adjustment for reserves and revaluation exists at ₹.2,00,000. X and Z agreed to pay him ₹.2,40,000 in full settlement of his account. Record necessary journal entry for the treatment of goodwill if X and Z decided to share future profits equally. 4



Q23. Bring out at least four differences between Calls in arrear and Calls in advance . 4

Q24. G Ltd. took over the assets of K Ltd. of 1,80,000. It also agreed to take over the liabilities of K Ltd. amounting to ₹.10,000 for a purchase consideration of ₹.1,30,000. The payment to K Ltd. was made by issue of 12% debentures of ₹. 100 each.

Pass necessary journal entries in the book of G Ltd. 4

(OR)

A Company issued 4,000 , 14% Debentures of ₹.100 each as a collateral security to a bank who has advanced a loan of ₹.3, 50,000 to the company for a period of 5 years.

Pass journal entries at the time of issue of debentures and repayment of loan after the given period. Show the company's Balance Sheet in the year of issue of debentures. 4

Q25. (a) Amal and Kamal are partners in a firm sharing profits and losses in 2:1 ratio. Since both of them are differently abled, sometimes, they find it difficult to run the business on their own. Vimal, a common friend, decided to help them. Therefore, they admitted him for 1/3rd share in profits on April 1,2024 was as follows:

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Liabilities	₹	Assets	₹
Capital :		Land and Building	80,000
Amal 1,20,000		Plant	44,000
Kamal 80,000	200,000	Furniture	10,000
General Reserve	20,000	Investment	40,000
Creditors	70,000	Debtor	78,000
Bank Loan	18,000	Less: Prov.for Bad debt	5,000
		Stock	73,000
		Cash at Bank	40,000
			21,000
	<u>3,08,000</u>		<u>3,08,000</u>

Partners decided that :

- Vimal would bring capital ₹ 60,000 and goodwill will not be valued.
- Plant overvalued by 10% to be valued at actual value.
- Provision for doubtful debts to be maintained at 10%..
- Amount of ₹ 3,000 included in creditors unlikely to be payable.
- Half of the investments to be taken over by Amal and remaining to be valued at ₹ 25,000.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the reconstituted firm.



(OR)

(b) Kumari, Sanatombi and Langlen are three partners sharing profits in the ratio of 3:1:1. On 31<sup>st</sup> March, 2023, they decided to dissolve their firm. On that date their Balance Sheet was :

Liabilities	₹	Assets	₹
Creditors	11,500	Bank	6,000
Loan	3,500	Debtor	48,400
Capital Accounts:		Less: Prov. 2,400	46,000
Kumari	50,000	Stock in trade	16,000
Sanatombi	25,000	Sundry assets	34,000
Langlen	14,000	Furniture	2,000
	<u>1,04,000</u>		<u>1,04,000</u>

It is agreed that:

- Kumari is to take over Furniture at ₹ 2,600 and Debtors amounting to ₹ 40,000 at ₹ 34,400; the Creditors of ₹ 10,000 to be paid by her at this figure.
- Sanatombi is to take over all the stock in trade at ₹ 14,000 and some of the Sunday Assets at ₹ 28,800.(being 10% less than book value)
- Langlen was to take over the remaining Sundry Assets at ₹ 90%.of the book value and assumed the responsibility for the discharge of the Loan.
- The remaining Debtors were sold to a debt collecting agency for 50% of the book value. The expenses of dissolution ₹.600 were paid by Langlen.

Prepare Realisation Account and Partners' Capital Accounts.

Q26. (a) P & J Ltd. was established with an authorized capital of ₹ 10,00,000 divided into shares of ₹ 10 each. 32,000 shares were issued and subscribed for by the public payable as ₹.4 on application, ₹ 2 on allotment, ₹ 2 on first call and ₹ 2 on final call.

The amounts received in respect of those shares were as follows :

On 24,000 shares full amount

On 5,000 shares ₹ 8 per share

On 2,000 shares ₹ 6 per share

On 1,000 shares ₹ 4 per share

The directors forfeited 3,000 shares on which less than ₹ 8 per share has been paid and reissued to Kamal at ₹ 8 per share as fully paid.

Pass journal entries in the books of the company for the record of the above transactions.

(OR)

(b) Automobile Ltd. invited applications for 10,000 shares of ₹10 each at par. The amount payable was as under:

₹ 2 on application:

₹ 3 on allotment:

₹ 5 on call:

Application were received for 18,000 shares and allotment was made to applicants for 15,000 shares on pro rata basis. The remaining applicants were rejected. Mr. X who was allotted 100 shares could not pay calls money and his shares were forfeited. These shares were subsequently reissued at ₹ 7.50 per share.

Pass journal entries and prepare Company's Balance Sheet.

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## PART – B

### ANALYSIS OF FINANCIAL STATEMENTS : 40 MARKS.

- Q27. Which of the following is not a limitation of financial analysis? 1
- a) Financial analysis ignores the price level changes.
  - b) Only quantitative information is considered in financial analysis.
  - c) It ascertains the relative importance of different components of the financial position.
  - d) Financial analysis is just a study of report of the company.
- Q28. If current assets are ₹ 52,000, current liabilities ₹ 22,000 and inventory ₹ 12,000, then liquid ratio will be \_\_\_\_\_. 1
- a) 1.2:1
  - b) 1.6:1
  - c) 1.4:1
  - d) 1.8:1.
- Q29. A company had machinery worth ₹ 7,00,000 in 2022 and ₹ 6,65,000 in 2023. Determine the percentage changes? 1
- Q30. Why prepaid expenses are not considered as liquid assets? 1
- Q31. Differentiate between Comparative Statement and Common Size Statement. 2
- Q32. Current Ratio and Quick Ratio of a Company are 2.5: 1 and 1:1 respectively. If the excess of current assets over quick assets as represented by stock is ₹ 75,000. Calculate current assets and current liabilities. 2



- Q33. From the following information, prepare a Common Size Statement of Profit and Loss of SS Ltd. for the year ended 31<sup>st</sup> March 2023. 4

Profit & Loss Statement of SS Ltd.  
For the year ended 31<sup>st</sup> March, 2023

Particulars	Note No.	₹
i. Revenue from Operations		30,00,000
ii. Expenses:		
Cost of Materials Consumed		20,90,000
iii. Tax		2,25,000

- Q34. Write any four main objectives of Ratio Analysis in a business organization. 4

- Q35. A trading firm's average inventory is ₹ 20,000 (cost). If the Inventory Turnover Ratio is 8 times and the firm sells goods at a profit of 20% on revenue from operations, ascertain the profit of the firm. 4

(OR)

A business has a current ratio of 3:1 and a quick ratio of 1.2:1. If the working capital is ₹ 1,80,000. Calculate the total current assets and value of Inventory. 4

- Q36. Calculate Cash Flow from Operating Activities from the following information: 4

Particulars	31.3.2013	31.3.2024	Particulars	31.3.2013	31.3.2024
1. Balance in Statement of Profit and Loss	3,80,000	4,50,000	5. Outstanding Expenses	12,000	-
2. General Reserve	20,000	40,000	6. Proposed Dividend	-	45,000
3. Goodwill	50,000	-	7. Trade Receivables	30,000	25,000
4. Prepaid Expenses	-	12,000			

(OR)

Calculate Cash Flows from Investing Activities from the following information:

Particular	31 <sup>st</sup> March 2023 ₹	31 <sup>st</sup> March 2022 ₹
Investment in Land	1600000	600000
10% Long Term Investments	250000	400000
Plant and Machinery	300000	200000
Goodwill	80000	15000

Additional Information:

A machine costing ₹ 400000 (depreciation provided thereon ₹ 12000) was sold ₹ 35000. 4  
Depreciation charged during the year was ₹ 60,000.

- Q.37. (a) Calculate the amount of Opening Trade Receivables and Closing Trade Receivables from the following figures:  
 Trade Receivables Turnover Ratio 4 times; Cost of Revenue from Operations ₹ 6,40,000;  
 Gross Profit Ratio 20%; Closing Trade Receivables were Rs.20,000 more than that of in the beginning; Cash Revenue from Operations being  $33\frac{1}{3}$  % of Credit Revenue from operations.

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(OR)

- (b) From the following data, calculate:-

- (i) Gross Profit Ratio,
- (i) Net Profit Ratio
- (ii) Working Capital Turnover Ratio,
- (iv) Debt-Equity Ratio,.

Particulars	₹	₹	₹
Revenue from Operations	30,00,000	Fixed Assets	6,50,000
Cost of Revenue from Operation	20,00,000	Current Assets	6,00,000
Net Profit	3,00,000	Current Liabilities	2,00,000
Debentures	2,50,000	Paid-up Share Capital	5,00,000

- Q38. (a) Following is the Balance Sheets of Dhara Ltd. as on 31<sup>st</sup> March 2022 and 2023

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Particulars	Note. No.	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>1.EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	30,00,000	28,00,000
(b) Reserves and Surplus		5,00,000	2,20,000
<b>2. Non-Current Liabilities</b>			
(a) Long-term Borrowings		4,00,000	2,50,000
<b>3. Current Liabilities</b>			
(a) Short-term borrowings	2	24,000	20,000
(b) Trade Payables		30,000	1,66,000
(c) Short-term provisions	3	36,000	22,000
<b>Total</b>		<b>39,90,000</b>	<b>34,78,000</b>



<b>II. Assets</b>			
<b>1.Non-current Assets</b>			
<b>(a) Property,Plant and Equipment and Intangible Assets</b>			
(i) Property,Plant and Equipment	4	37,20,000	32,20,000
(ii) Intangible Assets	5	1,00,000	60,000
<b>2.Current Assets</b>			
(a) Current Investments		16,000	10,000
(b) Inventories		74,000	1,18,000
(c) Trade Receivables		52,000	46,000
(d) Cash and Cash Equivalents		28,000	24,000
<b>Total</b>		<b>39,90,000</b>	<b>34,78,000</b>

**Notes to Accounts:**

Particulars	31 <sup>st</sup> March,2023 (₹)	31 <sup>st</sup> March,2022 (₹)
<b>1.Reserves and Surplus</b>		
Surplus, i.e., Balance in Statement of Profit and Loss	5,00,000	2,20,000
<b>2.Short-term Borrowings</b>		
Bank Overdraft	24,000	20,000
<b>3.Short-term Provisions</b>		
Provision for Tax	36,000	22,000
<b>4.Property, Plant and Equipment</b>		
Machinery	40,00,000	34,00,000
Accumulated Depreciation	(2,80,000)	(1,80,000)
	37,20,000	32,20,000
<b>5.Intangible Assets</b>		
Patents	1,00,000	60,000

**Additional Information:**

- Tax paid during the year amounted to ₹ 32,000.
- Machine with a net book value of ₹ 20,000 (Accumulated Depreciation Rs.80,000) was sold for Rs.4,000.

Prepare Cash Flow Statement.

(OR)

(b) Balance Sheets of Rawal Ltd. as at 31.03.2021 and 31.3.2020 are as follows:

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Particulars	Note No.	31.03.2021 (₹)	31.03.2020 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholders Funds			
(a) Share Capital		7,00,000	5,00,000
(b) Reserves and Surplus	1	3,50,000	1,40,000
2. Non-current Liabilities			
Long-term Borrowings	2	4,00,000	4,00,000
3. Current Liabilities			
Trade Payables		80,000	1,00,000
Short-term Provisions	3	1,50,000	1,40,000
Total		16,80,000	12,80,000
<b>II. ASSETS</b>			
1. Non-current Assets			
Fixed Assets		11,80,000	9,80,000
2. Current Assets			
(a) Trade Receivable		3,00,000	2,50,000
(b) Cash and Cash Equivalents		2,00,000	50,000
Total		16,80,000	12,80,000

Notes to Accounts :

Particulars	31.03.2021 (₹)	31.03.2020 (₹)
<b>1. Reserves and Surplus</b>		
Balance of Statement of Profit and Loss	3,50,000	1,40,000
<b>2. Long-term Borrowings</b>		
11% Debentures	4,00,000	4,00,000
<b>3. Short-term Provisions</b>		
(a) Proposal Dividend	1,10,000	90,000
(b) Provision for Tax	40,000	50,000

Additional Information: (i) Interest paid on Debentures.  
 (iii) Payment Tax ₹ 15,000.  
 (iii) Depreciation on Tangible Assets ₹ 60,000.  
 Prepare Cash Flow Statement.

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